



The Voice of Small Business

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Testimony on Hire Michigan First

House Commerce Committee
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Good Morning Chairman Jones and distinguished members of the Commerce Committee. My name is Amanda Radaz and I am the Assistant State Director for NFIB Michigan. NFIB has been a legislative advocate for small business here in Michigan and across the country for over 65 years.

I am here to express NFIB's opposition with House Bills 4085 and 4086 and concerns with the entire package of bills.

While we appreciate the efforts to be sure Michigan workers are getting the benefit of state funds, we feel that House Bill 4085 clearly and unfairly discriminates against non-union businesses.

This bill would require a business competing for state contracts for repair or work to state property to hire only Michigan residents for the project, **unless** they are subject to a collective bargaining agreement. This means that businesses that are non-union would be required to hire Michigan workers while union shops could conceivably hire all non-Michigan residents for the same job. We would suggest that you level the playing field and either require all workers to be Michigan residents, regardless of collective bargaining agreements or eliminate the residency requirement altogether.

House Bill 4086 would disbar contractors from state work if they violate the state prevailing wage act. While we understand the need for a strict standard of conduct for state vendors, this bill would punish many employers who are operating in good faith.

As the bill currently reads, a contractor who is off on their payroll by as little as one dollar will be disbarred. This means that if you have \$1,000,000.00 in payroll on a project, and at some point an error occurs, where a person is wrongly paid by a fractional amount, a contractor could be prohibited from any further state work.

I think we can agree that there is a difference between maliciously denying workers their fair wage and an accounting error or a wage misclassification. We support the

amendments suggested by the Associated Builders and Contractors to help fix some of these issues.

Ultimately, this package of bills will make it less likely that small businesses will bid on state financed projects because of the complicated regulations and paperwork associated with compliance.

It seems that in these financially strapped times, the State of Michigan and it's taxpayers would be best served by contracting with those companies who do the best job at the lowest cost.

NFIB would suggest if the legislature is serious about reviving Michigan's economy and creating jobs for Michigan workers, that you would look to lift burdensome regulations on job providers rather than creating new ones. A great start would be for the House to pass Senate Bill 93, which would prohibit MIOSHA from promulgating a mandatory ergonomics rule.

I appreciate your time and look forward to working with you throughout the coming legislative session.

I would be happy to take any questions.